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4 May 1967

DCI BRIEFING FOR
CIA SUBCOMMITTEE OF
HOUSE ARMED SERVICES COMMITTEE

C O N T E N T S

Page Time

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1 3:15

Vietnam

34 8:45

Chinese Cultural Revolution

51 4:30

Israel - Syria

65 1:30

India

67 1:00

Panama Canal Negotiations

68 2:15

Bolivia

71 1:45

35 minutes

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4 May 1967

DCI BRIEFING FOR
RIVERS SUBCOMMITTEE

VIETNAM

- I. In Vietnam, the enemy build-up along the Demilitarized Zone, which we have been watching for several months, was first dramatized April 6th and 7th by the major Communist raids in and around Quang Tri city and Hue, the capitals of South Vietnam's two northernmost provinces.
 - A. More recently, on 27 and 28 April, enemy forces staged a series of very heavy mortar, rocket, and artillery attacks against US Marine positions just south of the DMZ in northern Quang Tri Province, and against the marine coastal enclave at Phu Bai in Thua Thien Province.
 - B. Early this year elements of the North Vietnamese 341st Division, along with units of the 324B Division which had retreated into North Vietnam after last summer's incursions, began slipping back into Quang Tri Province.

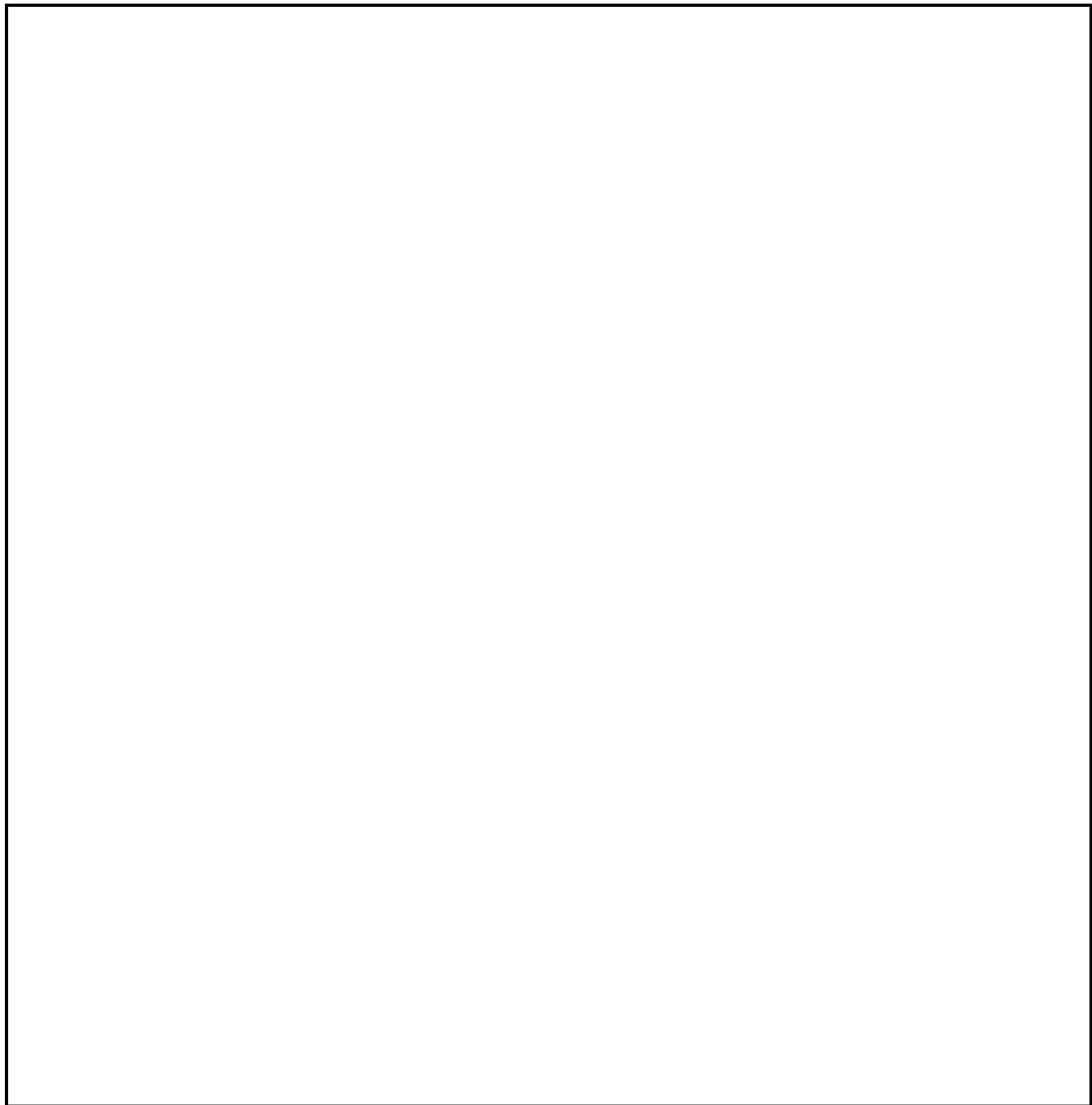
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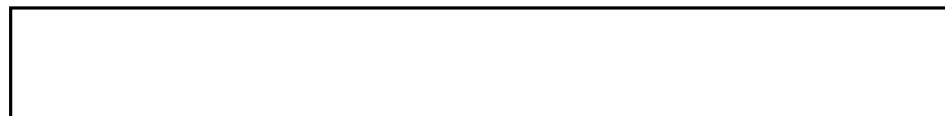
F. Since the beginning of 1967, the Communists have extended a feeder road--Route 922--from the Laos panhandle into the A Shau Valley of western Thua Thien Province, giving them their first motorable through road from the North, all the way down the Laotian panhandle, and into the South.

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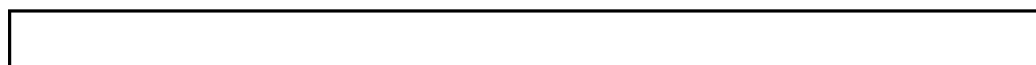
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firmed a considerable build-up and extensive stockpiling in the A Shau Valley, and in base areas near Route 922 in Laos.

II.



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indicated that the Communists plan a major "summer" campaign in the Quang Tri - Thua Thien areas; one officer has reported plans for regimental and even division-sized actions. Various lower level sources talk of plans to seize the two provinces.

A. A threat to such towns as Quang Tri and Hue cannot be ruled out, but the Communists are more likely to undertake actions designed to protect their infiltration routes through Laos and the western DMZ area, and to keep allied forces spread out. They want to maintain favorable conditions for attacking isolated U.S. units, and for preventing the government's Revolutionary Development activities.

1. The Communists have stepped up their efforts to harass and kill the pacification teams. The effort is nationwide, but more than half of the 200-plus attacks

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since the first of January have taken place in the northern First Corps area.

III. The Communist threat in First Corps amounts to about 56,000 enemy regulars, including the NVA units in and just above the DMZ. It is to meet this threat that MACV recently moved about two U.S. Army brigades, with their supporting artillery, from the Second and Third Corps areas into the southern part of First Corps. They will relieve Marine garrisons there for commitment to the northernmost provinces.

A. There are no firm indications of impending major enemy offensives elsewhere in South Vietnam, but the Communist forces still have a potential to make trouble, particularly in the highlands.

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Political Developments

IV. Now that the new South Vietnamese constitution has been promulgated, political attention is on the coming national elections in September.

A. Five civilians have already declared themselves in the presidential race, but the big question--that of a military candidate--remains unresolved.

1. Our best information [REDACTED]

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[REDACTED] is that the military leadership so far is waiting for Premier Ky and Chief of State Thieu to settle between themselves which one will run for president.

2. Each man is maneuvering for enough backing to make his rival bow out gracefully. Each appears reluctant at present to force a showdown by asking the military hierarchy to decide.

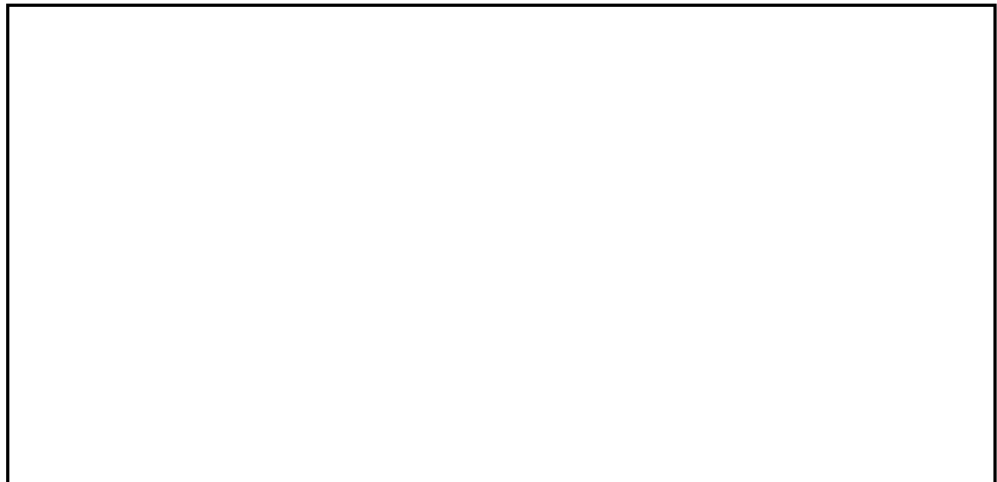
B. If the military can settle on one candidate--and they insist that they will--his chances of winning the election appear fairly strong.

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1. The draft election law gives the presidency to the man with the most votes, without reference to a majority or a run-off.
 2. The army is the only effective national organization, and the government's resources at local levels far outweigh those of any civilian group.
 3. Only two of the civilian candidates--assembly chairman Phan Khac Suu and former premier Tran Van Huong--seem to have any real chance, but both are appealing largely to the delta areas and thus could cancel each other out.
- C. It remains possible that the military might attempt to rig the election if the field of candidates narrows and the race appears close.

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V. Meanwhile, the local elections for village and hamlet offices, which began in early April and will run into early June, have been proceeding fairly well.

A. Despite considerable voter apathy and some reluctance by candidates to risk Viet Cong retaliation, voter turn-out in areas where elections were held averaged 77 percent for the five Sundays of voting for 984 village councils. Voting for some 4,500 hamlet chiefs will begin on 14 May. Communist disruptions so far have been limited.

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North Vietnam

VI. North Vietnamese officials have not withdrawn their offer to consider talks with the U.S. in exchange for a permanent cessation of the air strikes, but they have indicated clearly that this concession is as far as they are prepared to go at the present time.

A. The Hanoi leaders have resumed their emphasis on the importance of the "Four Points" as the only basis for a settlement of the war. On at least two occasions they have gone out of their way to underscore this attitude.

1. On March 21st, Hanoi released the February exchange of secret letters between President Johnson and Ho Chi Minh on possibilities for ending the war, in which the North Vietnamese President reverted to the tough and unyielding language of earlier DRV statements on conditions for peace.
2. The next week, Hanoi bluntly rejected UN Secretary General U Thant's mid-March proposals on negotiations.

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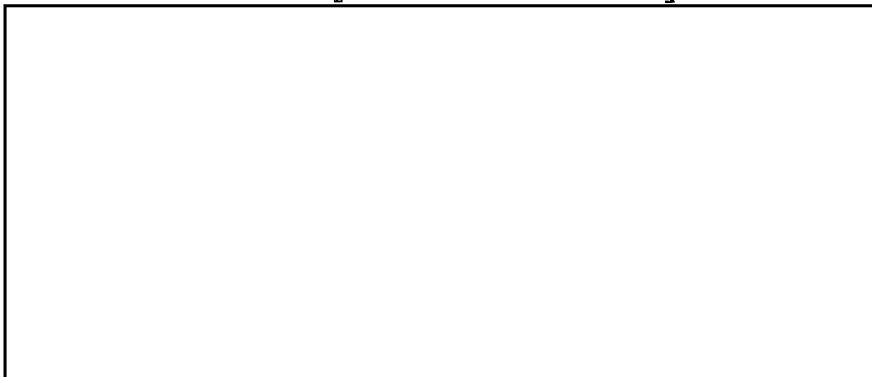
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VII. Peking is the only DRV ally who has not approved of Hanoi's recent offer to talk in exchange for a cessation of the bombings.

A. The Chinese have greeted both the original offer by the DRV foreign minister and the Ho-Johnson correspondence with stony silence.

B.



VIII. The most interesting recent North Vietnamese development in the past month is the trip Pham Van Dong made to Moscow in late March and early April. He spent about five days in Peking on his way home.

A. This trip is believed to have been connected with an increase in Soviet military assistance.



1. The DRV Premier was accompanied by a number of high-ranking Soviet military men responsible for Soviet military assistance in Hanoi.



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CHINESE DOMESTIC DEVELOPMENTS

I. The Chinese Cultural Revolution is regaining its frenzy after a brief lull. On the surface, there is a renewed and perhaps final drive to destroy the titular Chief of State, Liu Shao-chi. Behind this facade, the extremist elements around Mao Tse-tung and Lin Piao appear to be locked in struggle with more moderate forces led by Premier Chou En-lai.

A. Mao, Lin and Chou maintain the appearance of unity in public; Chou remains the chief spokesman for the regime. Lin has again appeared in public after an absence of almost five months. We believe that their alliance is at best very shaky and uneasy.

II. After the Cultural Revolution had brought the country to the brink of chaos in January, order and discipline were restored in most areas largely as a result of efforts by Chou En-lai.

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A. Chou's most important role in that period was to reassure the army, and to make it a more responsive instrument of control. He did this by dampening a purge which had been launched in the army, and by issuing a series of policies moderating the Cultural Revolution.

III. His actions were grudgingly supported by Mao and Lin at the time. But they were hotly debated, and in some cases reversed, at high-level meetings held in late March in Peking.

A. A major effort seems to be under way to remove military commanders, both in Peking and the provinces, who were vigorous in implementing the directives Chou pushed through, even when that meant arresting unruly Red Guards.

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IV. Vicious Red Guard poster attacks are now being aimed at Chou's protégés in the government, and at top military men who are being held responsible for letting the Cultural Revolution subside in February. A common thread running through the charges against these men is that they resisted extremist policies desired by Mao and Lin.

A. The military men under attack--Yeh Chien-ying (YEH JYAN-YING) and Hsu Hsiang-chien (SHOO SHYANG-CHYAN)--had worked very closely with Mao and Lin until recently. Both are politburo members and vice chairmen of the powerful Military Affairs Committee. Hsu (SHOO) was named head of the special army purge group formed on 11 January.

1. Now, however, they are accused of opposing Lin Piao at a recent meeting of the Military Affairs Committee, and of saying that Lin was not fit to be Mao's successor.

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- B. In recent weeks a main target of Red Guard posters and demonstrations has been Chou's protege, Foreign Minister Chen Yi.
1. The foreign minister has been criticized before, but never this harshly. He is now accused of being a "counter-revolutionary revisionist" who has opposed Lin Piao and followed the line of the disgraced chief of state, Liu Shao-chi.
 2. Chen Yi continues to perform ceremonial duties, but he is clearly in serious trouble.
- C. So far, Chou has not come to the defense of his proteges during the new wave of attacks. With his usual flexibility, he is adjusting to the latest political winds, with his own status uppermost in his mind.
1. Chou is still running the day-to-day work of the regime. This could be by default, however, and not necessarily a reflection of his political power; he is the only one of the ruling triumvirate who is physically strong enough to put in a full day's work.

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2. He does not have many people left to help him. Last August, 25 men were installed in the politburo; today, only seven of them are still active and in apparent good standing--Mao, Lin, Chou, one propagandist, two security chiefs, and one economic planner.

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ISRAEL-SYRIA

- I. The Israeli-Syrian border remains tense in the wake of the incident of 7 April, when six Syrian MIG-21s were apparently downed by Israeli Mirage fighters during a six-hour battle involving ground and air forces.
 - A. The clash escalated after Syrian troops opened fire on Israeli armored tractors working in fields near a village on Lake Tiberias.
 - B. Israel seems to have lost no planes, despite Syrian claims to have shot down five Mirages.

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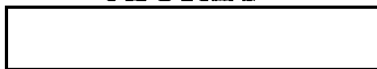
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A.

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B.

C.



III. The main source of the tension is disagreement over which country has the right to cultivate the demilitarized zones, and neither country is willing to compromise. This situation is going to remain extremely unstable.

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INDIA

- I. In India, the food crisis is going to become even worse this summer, and it will remain acute at least until the end of this year.
 - A. The second straight year of drought in some of the major grain regions is going to reduce this fall's harvest.
 - B. On top of that, the summer monsoons will make roads impassable, creating serious distribution problems for food imports.
 - 1. Many of the areas hardest hit by food shortages can be reached only by road.
- II. The recent elections left the governing Congress Party with majority governments in only eight of India's 17 states, and this is going to create additional problems, particularly if the government-subsidized food rations have to be cut further.
 - A. The collection, distribution, rationing, and importation of food all require cooperation between New Delhi and the state governments, and this will be lacking if the strained political relations don't improve.

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4 May 1967

DCI BRIEFING FOR
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PANAMA NEGOTIATIONS

- I. Negotiations with Panama for a new canal treaty have entered a crucial stage. From here on in, the Panamanians are bound to look at them as a major issue in the campaign for their presidential elections in May, 1968.
 - A. President Robles, in a speech on his return from Punta del Este, said he was elated over his meeting with President Johnson, and hopeful that the canal talks could be finished within the time frame set by the Panamanians.
 - B. They want a draft treaty completed in time to be ratified by a special assembly session late this summer. Robles feels that he needs at least six weeks before the special session for an intensive campaign to "sell" the merits of the new agreement to the country.

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1. If ratification is held over until the regular session opens on October 1, pressures of the presidential campaign will make it difficult to hold the fragile government coalition of seven parties together.

II. Opposition leader Arnulfo Arias and his mass-based Panamenista Party have begun to step up attacks on Robles' efforts to reach a canal settlement with the U.S.

A. Arias persists in his claim that he was robbed of the presidency in the 1964 election, and that the Robles government is illegal.

B. Moreover, the Panamenista leader maintains that since the present government does not represent the country's majority, any canal agreement it negotiates will be opposed by the "people" regardless of its contents.

C. [REDACTED] Arias has not yet decided whether to run in the 1968 election.. He is convinced that the government coalition will rig the elections to prevent his winning.

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[REDACTED]

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D. Arias has indicated that he might abstain, claiming fraud by the ruling elite, and then move to overturn the government.

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[REDACTED]

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BOLIVIA

I. The insurgent band operating in southeastern Bolivia is composed of members of both the pro-Soviet and pro-Chinese Communist parties. There is some evidence of Cuban direction and support.

A.

[REDACTED]

B.

[REDACTED]

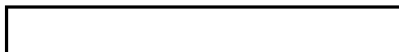
II. The insurgents probably total no more than 60 men. No more than 15 engage government forces at any one time. They have been in the field for about 6 months.

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- A. They are well-armed, well-supplied, and well-trained, and show excellent discipline under fire. This is in sharp contrast to the Bolivian troops now opposing them.
- III. The government's immediate plan is to encircle the guerrillas in order to prevent their escape.
 - A. Selected troop units, now being given counter-insurgency training, will ultimately be sent in to destroy the guerrillas, but the necessary training and movement may take months.
 - B. President Barrientos continues to press the United States for additional military equipment, particularly automatic weapons, bombs, and support aircraft.
- IV. President Barrientos reportedly does not believe his position and prestige have been weakened as a result of the government's inability to cope with the insurgency.
 - A. He is leaving counter-insurgency operations to Armed Forces commander General Ovando who will be the obvious scapegoat if conditions deteriorate.



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